

THE TORONTO STOCK EXCHANGE

5/8/71

FILING STATEMENT NO. 1799
FILED, AUGUST 19, 1971.

File
HARVEY'S FOODS LIMITED

Full corporate name of Company

incorporated under The Corporations Act, 1953 (Ontario)
by Letters Patent dated February 25, 1959.

Particulars of incorporation (e.g., Incorporated under Part IV of the Corporations Act, 1953
(Ontario) by Letters Patent dated May 1st, 1957).

Reference is made to previous
Filing Statement No. 1764.

FILING STATEMENT

(To be filed with respect to any material change in a company's affairs, including among other things,
an underwriting and option agreement, an issue of shares for property and a proposed re-organization.)

1. Brief statement of the material change in the affairs of the company in respect of which this statement is filed.

In consideration of the sum of \$982,800 the Company proposes to sell to Industrial Growth Management Limited a \$1,000,000 8% Sinking Fund Debenture of the Company and warrants to purchase 610,000 common shares in the capital of the company at \$1.00 each (See Schedule "A").

The Company also proposes to amend the terms of the Series 2 (1967) warrants to purchase 390,000 common shares of the Company in consideration of the sum of \$17,200 to be paid the Company by Industrial Growth Management Limited, the holder of such warrants. (See Schedule "A" on page 2.)

2. Head office address and any other office address.

Head Office Address-238 Bloor Street West
Toronto 181, Ontario
Other office address-nil

3. Names, addresses and chief occupations for the past five years of present or proposed officers and directors.

Richard Charles Wilfred Mauran, 95 Ardwald Gate, Toronto, Ontario; Chairman of the Board, President and Director; Principal Occupation for the past five years: Chairman and President of the Company; President of IGM; Chairman, Grissol Foods Limited; Director, Reliable Life Insurance Co.; prior to July, 1967, President of Swiss Chalet Bar-B-Q Limited.

Martin Bernard Syron, 40 Sheffley Crescent, Weston, Ontario; Vice-President and Director; Principal Occupation for the past five years: Law student, Barrister and Solicitor, Company solicitor and Vice-President of the Company.

Edward John Kozak, 101 Prennon Avenue, Islington, Ontario; Secretary and Director; Principal occupation for the past five years: Secretary of the Company.

Donald Colin Webster, 75 Binscarth Road, Toronto, Ontario; Director; Principal occupation for the past five years: President, Neptune Terminals Limited, Helix Investments Limited and T'Ang Management Limited, formerly Vice-President of the Company, Vice-President, General Impact Extrusions (Mfg) Limited and Director of Seaway Terminals Limited.

Yves Charles Hudon, 1 Merton Street, Hamstead, Quebec; Director; Principal occupation for the past five years: President, Grissol Foods Limited.

(continued on page 10.)

SCHEDULE "A"

Refinancing proposal of Harvey's Foods Limited (Harvey's) and Industrial Growth Management Limited (IGM)

1. I.G.M. will do the following:

- (a) Deliver to Harvey's for purchase \$32,000 7 1/2% Sinking Fund Debentures, Series A (the "Series A Debentures") and \$205,000 8 1/2% Convertible Debentures, Series D (the "Series D Debentures").
- (b) Pay to Harvey's in respect of amendments to be made in the terms of the outstanding Series 2(1967) warrants for 390,000 common shares of Harvey's, the sum of \$17,200.
- (c) Pay to Harvey's in respect of the purchase of the \$1,000,000 8% Sinking Fund Debenture of Harvey's and Series 2 (1971) warrants for 610,000 common shares of Harvey's the sum of \$982,500.
- (d) Deliver to Harvey's, along with discharges thereof, six (6) mortgages on Harvey's realty in the aggregate sum of \$290,000.
- (e) Convert the 4,400 remaining outstanding 4,400 non-voting convertible second preference shares with a par value of \$1 each of Harvey's into 330,000 common shares of Harvey's subject to shareholder approval of changes in the terms of such preference shares to enable immediate conversion thereof.

2. Harvey's will do the following:

- (a) Pay I.G.M. principal in the amount of \$32,000 plus a 2% premium plus accrued interest in respect of the Series A Debentures and principal in the amount of \$205,000 plus accrued interest in respect of the Series D Debentures.
- (b) Amend the terms of the outstanding Series 2 (1967) warrants to purchase 390,000 common shares of Harvey's to provide for an exercise price of \$1 per common share and extend the exercise term from May 15, 1977 to July 31, 1986.
- (c) Issue to I.G.M. a \$1,000,000 8% Sinking Fund Debenture due July 31, 1991 and a bearer Series 2 (1971) warrant for the purchase of 610,000 common shares of Harvey's at \$1 each exercisable until July 31, 1986. The \$100,000 sinking fund payments on said Debenture are due on July 31 in each of the years 1986, 1987, 1988, 1989 and 1990. At the option of the registered holder of the \$1,000,000 8% Sinking Fund Debenture, the Company will redeem such debenture and apply the proceeds of redemption to the subscription price payable on the exercise of rights to purchase shares of the Company under any share purchase warrants, series 2 (1967) or share purchase warrants, series 2(1971).
- (d) Pay I.G.M. principal in the amount of \$290,000 plus accrued interest in respect of the redemption by Harvey's of the six (6) mortgages on Harvey's realty held by I. G. M.

3. The proposal noted in paragraphs 1 and 2 (a) to (d) inclusive above has been approved by the directors of Harvey's and will not be submitted to shareholders for their approval.

HARVEY'S FOODS LIMITED
AND SUBSIDIARY COMPANIES

CONSOLIDATED BALANCE SHEET AS AT JUNE 20TH, 1971

W. J. Lyons. Director

Directo

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HARVEY'S FOODS LIMITED
AND SUBSIDIARY COMPANIES
CONSOLIDATED STATEMENT OF SOURCE AND
USE OF WORKING CAPITAL
FOR THE TWELVE WEEKS ENDED JUNE 20TH, 1971

SOURCE OF WORKING CAPITAL

Net Profit for Period			\$ 131,500
<u>Add Items Not Affecting Working Capital</u>			
Finance Expenses Written Off	\$ 12,828		
Depreciation	<u>115,577</u>	<u>128,405</u>	\$ 259,905
Collections on Long Term Receivables			<u>36,891</u>
PROVIDED FROM OPERATIONS			\$ 296,796

USE OF WORKING CAPITAL

Additions to Fixed Assets	\$ 4,062		
Payments on Mortgages		46,935	
Payments on Equipment		<u>31,971</u>	<u>82,968</u>
INCREASE IN WORKING CAPITAL			\$ 213,828
WORKING CAPITAL DEFICIENCY BEGINNING OF YEAR			<u>1,153,083</u>
WORKING CAPITAL DEFICIENCY END OF PERIOD			<u><u>\$ 939,255</u></u>

HARVEY'S FOODS LIMITED

AND SUBSIDIARY COMPANIES

CONSOLIDATED STATEMENT OF EARNINGS

FOR THE TWELVE WEEKS ENDED JUNE 20TH, 1971

GROSS REVENUE

Sales of Franchises Including Interest on Notes	\$ 28,705
Operations of Franchises and Net Rental Income	383,622
Sales Derived from Farm and Restaurant Operations	1,021,283
	<hr/>
	\$ 1,433,610

EXPENSES

Operations of Farm and Restaurants	\$ 847,245
Administrative and Other	110,840
Depreciation and Amortization	115,577
Amortization of Financing Expenses	12,828
Interest on Long Term Debt	86,865
Interest on Loans	11,755
	<hr/>
Total Expenses	\$ 1,185,110
	<hr/>
Earnings Before Income Taxes	\$ 248,500
Provision for Income Taxes	117,000
	<hr/>
Net Earnings for Period	\$ 131,500

HARVEY'S FOODS LIMITED
AND SUBSIDIARY COMPANIES
PRO FORMA CONSOLIDATED BALANCE SHEET AS AT JUNE 20TH, 1971
AFTER GIVING EFFECT TO NOTES (1) & (2) ATTACHED
(with actual figures as at June 20, 1971)

A S S E T S

<u>CURRENT</u>	Pro Forma	Actual June 20, 1971
Cash on Hand and in Banks	\$ 48,269	\$ 569
Accounts Receivable	171,946	171,946
Mortgages Receivable	5,522	5,522
Inventories and Prepaids	125,483	125,483
Deposits on Land	<u>9,050</u>	<u>9,050</u>
TOTAL CURRENT ASSETS	<u>\$ 360,270</u>	<u>\$ 312,570</u>
Long Term Receivables	<u>\$ 144,306</u>	<u>\$ 144,306</u>
Investments in Unconsolidated Subsidiary at Cost, Less Provision for Loss	<u>\$ 1</u>	<u>\$ 1</u>
Balances Receivable on Sale of Franchises	<u>\$ 2,432,822</u>	<u>\$ 2,432,822</u>
<u>Fixed Assets</u>		
Land - At Cost	\$ 5,457,427	\$ 5,457,427
Buildings, Parking Lots and Equipment	8,678,744	8,678,744
Leasehold Improvements	<u>608,053</u>	<u>608,053</u>
	\$14,744,224	\$ 14,744,224
Less Accumulated Depreciation	<u>2,119,367</u>	<u>2,119,367</u>
	<u>\$12,624,857</u>	<u>\$ 12,624,857</u>
<u>Other Assets</u>		
Financing Expenses at cost less amortization	\$ 251,793	\$ 204,093
Excess of Cost Over Book Value of Subsidiary Companies	<u>1,058,114</u>	<u>1,058,114</u>
	<u>\$ 1,309,907</u>	<u>\$ 1,262,207</u>
	<u>\$16,872,163</u>	<u>\$ 16,776,763</u>

HARVEY'S FOODS LIMITED
AND SUBSIDIARY COMPANIES
PRO FORMA CONSOLIDATED BALANCE SHEET AS AT JUNE 20TH, 1971
AFTER GIVING EFFECT TO NOTES (1) & (2) ATTACHED
(with actual figures as at June 20, 1971)

L I A B I L I T I E S

<u>CURRENT</u>	Pro Forma	Actual June 20, 1971
Bank Loans	\$ 18,300	\$ 376,500
Accounts Payable	375,607	375,607
Income Taxes Payable	75,216	75,216
Current Portion of Long Term Liabilities	424,503	424,503
TOTAL CURRENT LIABILITIES	\$ 893,626	\$ 1,251,826
<u>Long Term Liabilities</u>		
Mortgages Payable	\$ 4,281,651	\$ 4,571,651
Due on Equipment	96,588	96,588
Debentures Series A	-	49,100
Debentures Series D	-	255,000
8% S.F. Debenture due July 31, 1991	1,000,000	-
	\$ 5,378,239	\$ 4,972,339
Less Current Portion	424,503	424,503
	<u>\$ 4,953,736</u>	<u>\$ 4,547,836</u>
Unearned Income on Sale of Franchises	\$ 2,432,822	\$ 2,432,822
Deferred Income Taxes	\$ 395,405	\$ 395,405
<u>Shareholders' Equity</u>		
<u>Capital Stock</u>		
Authorized:		
40,000 5½% cumulative, redeemable first preference shares with a par value of \$50 each		
6,400 second preference shares		
6,780,000 Common shares		
<u>Issued and Fully Paid</u>		
Nil first preference shares, Series A		
6,400 second preference shares	-	6,400
5,371,034 common shares (4,891,034)	\$ 7,258,867	\$ 7,252,467
Contributed surplus	282,700	235,000
Retained earnings	<u>655,007</u>	<u>655,007</u>
	<u>\$ 8,196,574</u>	<u>\$ 8,148,874</u>
	<u>\$16,872,163</u>	<u>\$ 16,776,763</u>

HARVEY'S FOODS LIMITED
NOTES TO PRO FORMA CONSOLIDATED BALANCE SHEET
AS AT JUNE 20, 1971

1. The pro forma balance sheet gives effect, as at June 20, 1971, to the following transactions:
 - a) The issue of \$1,000,000 principal amount of 8% debentures, maturing July 31, 1991, at a price of \$95.23 per \$100 principal amount, to realize \$952,300 net proceeds to the company.
 - b) In consideration of the receipt of \$17,200 by the company, and as part of the above-mentioned transaction, the company would agree to reduce the exercise price on the Series 2 (1967) share purchase warrants, from \$1.95 per share to \$1.00 and to lengthen the exercise term to July 31, 1986 from May 15, 1977.
 - c) In consideration of the receipt of \$30,500 by the company, and as part of the above-mentioned transactions, the company would agree to issue 610,000 additional warrants similar to the warrants above as adjusted.
 - d) The application of the proceeds in b) and c) above to contributed surplus, increasing contributed surplus by \$47,700.
 - e) The application of the proceeds in a) above to the repayment of the following:
 1. \$290,000 principal amount of mortgages held by Industrial Growth Management Limited.
 2. \$255,000 principal amount of Series "D" convertible debentures.
 3. \$49,100 principal amount of Series "A" sinking fund debentures
 4. \$358,200 to reduce short-term bank borrowings and increase working capital.
 5. The conversion of 6,400 second preference shares into 480,000 common shares.

2. Common shares are reserved for issue as follows:

	Number of shares reserved June 20, 1971
8½% convertible debentures, Series D, convertible up to May 31, 1978 on the basis of approximately 4 common shares for each \$17.00 principal amount of debentures outstanding	-
Share purchase warrants, Series 1 (1964) - of 300,000 originally issued, the holders thereof are entitled to purchase common shares at \$1.33 per share up to April 15, 1974*	124,569
Share purchase warrants, Series 2 (1967) - of 390,000 issued, the holders thereof are entitled to purchase common shares at \$1.95 per share on or before May 15, 1977	-
Share purchase warrants, Series 3 (1968) - of 45,000 issued as part of the consideration for the purchase of the shares of Swiss Chalet Bar-B-Q, Inc. and Richco Properties Inc., the holders thereof are entitled to purchase common shares at \$1.95 per share on or before May 15, 1977	45,000
Share purchase warrants, Series 4 (1971) - as part of the consideration for the issuance of the 8% sinking fund debentures, the holder thereof purchased 610,000 share purchase warrants at \$0.05 per warrant entitling them to purchase common shares at \$1.00 per share on or before July 31, 1986. Additionally, as part of the same transaction, in consideration of \$0.0441 per warrant, the holder of Series 2 warrants were granted the right to convert their 390,000 warrants to Series 4 warrants	1,000,000
Employee's stock option - of 15,000 common shares granted, the employee is entitled to purchase a maximum of 1,500 shares per year at \$5.00 for 3 shares. This stock option expires May 2, 1976	10,500
The 6,400 non-voting convertible second preference shares entitle the holder to convert 1 second preference share into 75 common shares at the rate of 2,000 shares per year	-
	<hr/> 1,180,069 <hr/>

* Our auditors advise us that the purchase price should be adjusted to \$1.06 if the proposed financing referred to in Note (1) is completed.

3. (Con't)	<p>Marc Andre Boisclair, 4046 Maplewood Avenue, Montreal, Quebec; Director; Principal occupation for the past five years: President, Location Commerciale Inc., President, Trans-Quebec Funds Inc. and prior to 1968, President Labrador Acceptance Corporation Limited.</p> <p>Michael M. Maguire, 68 Willowridge Road, Weston, Ontario; Vice-President of Finance & Treasurer & Director; Principal Occupation for the past five years: 1964-1970 General Manager of Newfoundland region Bowring Brothers Ltd.</p> <p>Robert George McCulloch, 33 Rosehill Avenue, Toronto, Ontario; Director; Principal occupation for the past five years: Executive Vice-President and prior to 1966 Vice-President, Midland-Osler Securities Limited.</p> <p>William Austin Stewart, 90 Glenview Avenue, Toronto 12, Ontario; Director; Principal occupation for the past five years: Senior Vice-President, Midland-Osler Securities Limited.</p>						
4. Share capitalization showing authorized and issued and outstanding capital.	<p><u>Authorized</u></p> <ul style="list-style-type: none"> - 40,000 first preference shares with a par value of \$50.00 each, issuable in series; - 4,400 non-voting convertible second preference shares with a par value of \$1.00 each; - 6,450,000 common shares without par value. <p><u>Issued and Fully Paid</u></p> <table> <tr> <td>- 4,400 second preference shares</td> <td>4,400</td> </tr> <tr> <td>- 5,041,034 common shares</td> <td><u>7,254,467</u></td> </tr> <tr> <td></td> <td>7,258,867</td> </tr> </table>	- 4,400 second preference shares	4,400	- 5,041,034 common shares	<u>7,254,467</u>		7,258,867
- 4,400 second preference shares	4,400						
- 5,041,034 common shares	<u>7,254,467</u>						
	7,258,867						
5. Particulars in respect of any bonds, debentures, notes, mortgages, charges, liens or hypothecations outstanding.	<p><u>Debentures</u> - 7 1/2% Sinking Fund Debentures, Series A</p> <p>These debentures mature on April 15, 1974 but are redeemable prior to maturity by the company at the following redemption prices:</p> <p>(a) When redeemed otherwise than out of sinking fund monies, at the principal amount thereof plus a premium of 2% on or before April 15, 1972 and thereafter the said premium is reduced by 1% for each year to April 15, 1974;</p> <p>(b) When redeemed out of sinking fund monies, at the principal amount thereof. By the terms of the Debenture Trust Deed the company is required to establish a sinking fund sufficient to retire \$10,000 principal annually on April 15, 1969 to 1973, both inclusive.</p> <p>As of the 3rd day of August, 1971, the principal amount outstanding under these Debentures was \$49,100.</p> <p>- 8 1/2% Convertible Debentures, Series D</p> <p>The principal amount of \$255,000 will mature on May 31, 1978 and is redeemable at par prior to that date at the company's option. For the purposes of conversion 59,876 common shares have been reserved.</p> <p>The principal amount outstanding under these Debentures is \$255,000.</p> <p>As of the 3rd day of August, 1971, first and second mortgages on realty owned by the Company were payable in the amount of \$4,571,651.</p> <p><u>Due on Equipment as of August 3rd, 1971</u></p> <p>The amount of \$96,588 is due to suppliers of equipment whose accounts are, by arrangement, payable monthly over varying periods of up to three years. Interest is charged on certain accounts at rates varying from 0 to 8% per annum which is added to the principal amount. Some of these accounts are secured by conditional sales contracts.</p>						

6. Details of any treasury shares or other securities now the subject of any underwriting, sale or option agreement or of any proposed underwriting, sale or option agreement.

Edward J. Kozak, who is the Secretary and a Director of the Company, holds a stock option covering 15,000 common shares of the Company pursuant to the terms of which stock option he is entitled to purchase a maximum of 1,500 common shares per year at a price of \$5.00 for three shares. This stock option expires on May 2, 1976.

Common shares are reserved for issuance as follows:

8 ½% Convertible Debentures, Series D, convertible up to May 31, 1978 on the basis of approximately 4 common shares for each \$17 principal amount of debentures outstanding..... 59,876

Share purchase warrants - of the 300,000 originally issued, the holders thereof are entitled to purchase common shares at \$1.33 per share up to April 15, 1974..... 124,569

Share purchase warrants, Series 2 (1967) - of 390,000 issued the holders thereof are entitled to purchase common shares at \$1.95 per share on or before May 15, 1977.... 390,000

Share purchase warrants Series 3 (1968) - of 45,000 issued as part of the consideration for the purchase of the shares of Swiss Chalet Bar-B-Q, Inc. and Richco Properties, Inc. the holders thereof are entitled to purchase common shares at \$1.95 per share on or before May 15, 1977..... 45,000

Employee's stock option - of 15,000 common shares reserved, the employee is entitled to purchase a maximum of 1,500 shares per year at \$5.00 for 3 shares. This stock option expires May 2, 1976.. 10,500
629,945

4,400 non-voting convertible second preference shares with a par value of \$1.00 each

In addition, 4,400 outstanding non-voting convertible second preference shares are convertible, without further payment to the Company, at the rate of 2,000 of such preference shares per year, into fully paid and non-assessable common shares of the Company. Because of the nature of such conversion under the provisions of The Ontario Corporations Act the 330,000 common shares into which the said 4,400 outstanding second preference shares are convertible are in addition to, and do not form part of, the presently authorized but unissued 1,408,966 common shares.

Total presently authorized but unissued common shares reserved to fulfil obligations respecting the above-mentioned share purchase warrants, convertible debentures and employee stock options..... 629,945

Total number of common shares into which presently outstanding non-voting convertible second preference shares are convertible. 330,000

Total 959,945

(continued on page 12.)

6. (Con't)

Common shares to be reserved for issuance after completion of transactions referred in item 1 as follows:

Share purchase warrants - of the 300,000 originally issued, the holders thereof are entitled to purchase common shares at \$1.06 per share up to April 15, 1974..... 124,569

Share purchase warrants, Series 2 (1967) - of 390,000 issued, the holders thereof are entitled to purchase common shares at \$1.00 per share on or before July 31, 1986..... 390,000

Share purchase warrants, Series 3 (1968) - of 45,000 issued as part of the consideration for the purchase of the shares of Swiss Chalet Bar-B-Q, Inc. and Richco Properties, Inc. the holders thereof are entitled to purchase common shares at \$1.95 per share on or before May 15, 1977..... 45,000

Share purchase warrants, Series 2 (1971) - of 610,000 issued, the holders thereof are entitled to purchase common shares at \$1.00 per share on or before July 31, 1986..... 610,000

Employee's stock option - of 15,000 common shares reserved, the employee is entitled to purchase a maximum of 1,500 shares per year at \$5.00 for 3 shares. This stock option expires May 2, 1976..... 10,500
1,180,069

4,400 non-voting convertible second preference shares with a par value of \$1.00 each

In addition, 4,400 outstanding non-voting convertible second preference shares are convertible, without further payment to the Company at any time, into fully paid and non-assessable common shares of the Company. Because of the nature of such conversion under the provisions of The Ontario Corporations Act the 330,000 common shares into which the said 4,400 outstanding second preference shares are convertible are in addition to, and do not form part of, the presently authorized but unissued 1,408,966 common shares.

Total to be authorized but unissued common shares reserved to fulfil obligations respecting the above-mentioned share purchase warrants and employee stock options.....1,180,069

Total number of common shares into which presently outstanding non-voting convertible second preference shares are convertible..... 330,000

Total 2,610,069

7. Names and addresses of persons having any interest, direct or indirect in underwritten or optioned shares or other securities or assignments, present or proposed, and, if any assignment is contemplated, particulars thereof.	Edward J. Kozak, who holds the stock option mentioned in item number 6 above, resides at 101 Prennan Avenue, Islington, Ontario.
8. Any payments in cash or securities of the company made or to be made to a promoter or finder in connection with a proposed underwriting or property acquisition.	None
9. Brief statement of company's future development plans, including proposed expenditure of proceeds of sale of treasury shares, if any.	At present the Company has no future development plan. The proceeds from the financing after purchase for cancellation or redemption of the presently outstanding 7½% Sinking Fund Debentures, Series A and 8½% Convertible Debentures, Series D and repayment to Industrial Growth Management Limited of certain first mortgages held on realty owned by the Company in the principal amount of \$290,000 will amount to \$447,366.01 and will be used by the Company to enhance its working capital.
10. Brief statement of company's chief development work during past year.	The Company has not had any new development during the past year.
11. Names and addresses of vendors of any property or other assets intended to be purchased by the company showing the consideration to be paid.	Pursuant to the agreement described in Schedule "A" the Company proposes to purchase from I.G.M., \$32,000 7 1/2% Sinking Fund Debentures, Series A and \$205,000 8 1/2% Convertible Debentures, Series D of the Company. Although not owned by I.G.M. the Company also proposes to purchase the remaining outstanding Series A and Series D debentures. The Company will also redeem six (6) mortgages in the aggregate sum of \$290,000 held by I.G.M. on the Company's realty.
12. Names and addresses of persons who have received or will receive a greater than 5% interest in the shares or other consideration to be received by the vendor. If the vendor is a limited company, the names and addresses of persons having a greater than 5% interest in the vendor company.	Industrial Growth Management Limited, 238 Bloor Street West, Toronto, Ontario The names and addresses of holders of more than a 5% interest in the shares of IGM are as follows: Richard Charles Wilfred Mauran, 95 Ardwald Gate, Toronto, Ontario Mark Mills Limited, c/o Trust Corporation of Bahamas Limited, P.M.B. 288 Nassau, N.P. Bahamas
13. Number of shares held in escrow or in pool and a brief statement of the terms of escrow or the pooling agreement.	None
14. Names and addresses of owners of more than a 5% interest in escrowed shares and their shareholdings (If shares are registered in the names of nominees or in street names, give names of beneficial owners, if possible.)	None

15. Names, addresses and shareholdings of five largest registered shareholders and if shareholdings are pooled or escrowed, so stating. If shares are registered in names of nominees or in street names, give names of beneficial owners, if possible, and if names are not those of beneficial owners, so state.	<table><tr><th>Shareholder and Address</th><th>No. of common shares held</th></tr><tr><td>Montreal Trust Co., Acct. FS 351 15 King Street West, Toronto, Ontario</td><td>80,000</td></tr><tr><td>Monray & Co., P. O. Box 1900, Station B, Montreal, Quebec.</td><td>143,700</td></tr><tr><td>Gilbert Securities Limited, P. O. Box 730, Place D'Armes, Montreal, Quebec.</td><td>162,560</td></tr><tr><td>Industrial Growth Management Ltd., 238 Bloor Street West, Toronto 181, Ontario</td><td>2,065,270</td></tr><tr><td>Bankmont & Co., 119 St. James Street West, Montreal, Quebec.</td><td>107,825</td></tr><tr><td colspan="2">The Company has no knowledge of who are the beneficial owners of the above-mentioned shares and has no way of ascertaining same save and except that IGM is the beneficial owner of the number of shares set out opposite its name.</td></tr></table>	Shareholder and Address	No. of common shares held	Montreal Trust Co., Acct. FS 351 15 King Street West, Toronto, Ontario	80,000	Monray & Co., P. O. Box 1900, Station B, Montreal, Quebec.	143,700	Gilbert Securities Limited, P. O. Box 730, Place D'Armes, Montreal, Quebec.	162,560	Industrial Growth Management Ltd., 238 Bloor Street West, Toronto 181, Ontario	2,065,270	Bankmont & Co., 119 St. James Street West, Montreal, Quebec.	107,825	The Company has no knowledge of who are the beneficial owners of the above-mentioned shares and has no way of ascertaining same save and except that IGM is the beneficial owner of the number of shares set out opposite its name.											
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The Company has no knowledge of who are the beneficial owners of the above-mentioned shares and has no way of ascertaining same save and except that IGM is the beneficial owner of the number of shares set out opposite its name.																									
16. Names, and addresses of persons whose shareholdings are large enough to materially affect control of the company.	The Company has no knowledge of any person or company whose shareholdings are large enough to affect control of the Company other than those referred to in item numbered 15.																								
17. If assets include investments in the shares or other securities of other companies, give an itemized statement thereof showing cost or book value and present market value.	<table><tr><th>No. of Shares held</th><th>%</th><th>Cost</th></tr><tr><td>210</td><td>Swiss Chalet Bar-B-Que Inc. 100%</td><td>\$855,000</td></tr><tr><td>200</td><td>Richco Properties Inc. 100%</td><td>242,500</td></tr><tr><td>100</td><td>Chalet Farms Limited 100%</td><td>195,000</td></tr><tr><td>1000</td><td>Wille's International Limited 100%</td><td>1,067</td></tr><tr><td>125000 D.M.</td><td>Harvey's Foods G.m.b.H. 100%</td><td>1</td></tr><tr><td colspan="2"></td><td>\$1,293,568</td></tr><tr><td colspan="3">All of the above mentioned are wholly owned subsidiaries of the Company and are private companies. The transfer of their shares are restricted and, accordingly, there is no trading in their shares. The Company considers that the market value of these shares is the cost thereof as set forth above.</td></tr></table>	No. of Shares held	%	Cost	210	Swiss Chalet Bar-B-Que Inc. 100%	\$855,000	200	Richco Properties Inc. 100%	242,500	100	Chalet Farms Limited 100%	195,000	1000	Wille's International Limited 100%	1,067	125000 D.M.	Harvey's Foods G.m.b.H. 100%	1			\$1,293,568	All of the above mentioned are wholly owned subsidiaries of the Company and are private companies. The transfer of their shares are restricted and, accordingly, there is no trading in their shares. The Company considers that the market value of these shares is the cost thereof as set forth above.		
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18. Brief statement of any lawsuits pending or in process against company or its properties.	County Court Action to enforce the terms of a right of way agreement by adjacent landowner. Negotiations for settlement being carried on. Temporary settlement has been made.																								

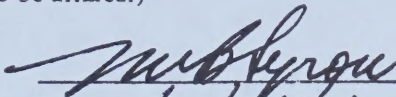
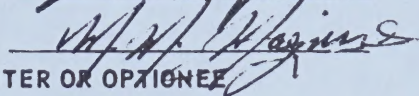
19. The dates of and parties to and the general nature of every material contract entered into by the company which is still in effect and is not disclosed in the foregoing.	None
20. Statement of any other material facts and if none, so state. Also state whether any shares of the company are in the course of primary distribution to the public.	There are no other material facts relating to the transaction as set forth above in item number 1. No shares of the Company are presently in the course of primary distribution to the public.

DATED August 3, 1971

CERTIFICATE OF THE COMPANY

The foregoing, together with the financial information and other reports where required, constitutes full, true and plain disclosure of all material facts in respect of the matters referred to in Item 1 above and in respect of the company's affairs and there is no further material information applicable. (To be signed by two principal signing officers who are directors and the corporate seal to be affixed.)

"M.B. Syron"
"M. M. Maguire"
"~~xxxxxx~~"

CORPORATE
SEAL

CERTIFICATE OF UNDERWRITER OR OPTIONEE

To the best of my knowledge, information and belief, the foregoing, together with the financial information and the reports where required, constitutes full, true and plain disclosure of all material facts in respect of the matters referred to in Item 1 above in respect of the company's affairs. Concerning matters which are not within my knowledge, I have relied upon the accuracy and adequacy of the information supplied to me by the company. (To be signed by underwriter or optionee registered with the Ontario Securities Commission or a corresponding body.)

